

# 2021 Federal Election

## LEADERS' SURVEY RESPONSES

Business owners deserve to know exactly where each party stands on issues that matter to them, which is why we asked the 6 major federal parties questions on their vision for independent business in Canada.



Here are their answers, *as is*.



As a non-partisan organization, the *Canadian Federation of Independent Business* (CFIB) has devoted itself to defending the interests of small and medium-sized businesses for the past 50 years. As we have always done, we are committed to working with whichever party forms government to ensure that our members' views are reflected in public policy.

### Economic Recovery

Small businesses have been particularly hard hit by the pandemic with just 40% back to normal revenues as of August 10th, 2021. This dips to just 22% of firms in hospitality and only 11% of firms in the arts and recreation sectors. In addition, on average, small businesses have taken on \$170 000 in new debt due to COVID-19. There is no doubt that emergency programs – such as CEWS, CERS, HASCAP, CEBA – have been a lifeline for many SMEs and continue to be important for those still facing restrictions.

### 1. What will your party do to help hard-hit small businesses recover from the pandemic and thrive?



\*SMEs at the heart of Quebec's economy have been hit hard by the pandemic. This is especially true for seasonal businesses and the arts, tourism and hospitality sectors. The Bloc Québécois has asked for emergency relief programs to be maintained until the economy is fully back to normal. We have also proposed various measures to address the labour shortage, including: 1) a tax credit for recent graduates and newcomers to non-metropolitan areas; 2) a tax credit for experienced workers; 3) suspending (rather than abolishing) the CRB 4); enhancing the R&D tax credit to stimulate innovation and productivity 5) a tax credit for automation in the manufacturing sector. We have also called for an aerospace policy and extensive assistance to help the 200 or so aerospace SMEs get through the crisis.



Small businesses are the engine of our economy. To rebuild, we will need to encourage thousands of new small businesses to help repopulate our main streets. Canada's Conservatives will give small businesses the support they need to get back on their feet by:

1. Introduce the job growth incentive that pays 25% to 50% of wages of new hires with no need to demonstrate a revenue loss.
2. Launching the Main Street Business Loan to provide "Super-CEBA" loans of up to \$200,000.
3. Launch the Rebuild Main Street Tax Credit that provides 25% investment credit on amounts invested in business.



A Green government will:

- Extend wage and rent subsidies until COVID-19 pandemic-related restrictions are fully lifted.
- Hold the small business tax rate at no more than 9%.
- Reduce the paperwork burden on small businesses by eliminating duplicative tax filings and red tape.
- Ensure all new legislation considers the impact on small businesses.
- Reduce bureaucracy and streamline approvals for Small and Medium Enterprises (SMEs) to adopt technologies.
- Promote entrepreneurship training and business support, especially for women, young, racialized and Indigenous entrepreneurs.
- Provide affordable and accessible internet services across Canada, including rural areas.
- Establish a federally funded Green Venture Capital Fund of \$1 billion to support viable small local green business start-ups.
- Subsidize the implementation of new clean technologies across all SMEs



The Liberal led government created the Canada Emergency Wage Subsidy (CEWS), Canada Emergency Rent Subsidy (CERS), Lockdown Support, Canada Emergency Business Account (CEBA), Canada Recovery Hiring Program, and Highly Affected Sectors Credit Availability Program (HASCAP), helping nearly 1 million businesses.

We also provided funding to Regional Development Agencies across Canada to support small businesses that were hit hard during COVID-19 and ensure no one and no small business fell through the cracks. This support included introducing new programs to support small businesses and workers such as the Tourism Relief Fund, the Canada Community Revitalization Fund, and the Major Festivals and Events Support Initiative.

We will continue to work with SMEs to ensure they have the support they need to get through the pandemic. A Liberal government will:

- Extend the Canada Recovery Hiring Program until March 2022, subsidizing wages as small businesses recover.



- New Democrats believe that small businesses should have access to all the support they need through this crisis, grow, innovate and stay competitive in Canada and around the world. We have stood up for emergency small business aid during the COVID-19 pandemic, lower small business taxes, and fought to make it easier to pass on small businesses to the next generation.
- Too many small businesses continue to be hit hard by the pandemic. They need a government that will help them access the services and infrastructure they need to recover, thrive and expand, while investing in a healthy and talented workforce.
- We will make sure that small business wage and rent subsidies continue until SME's can fully re-open. We'll also sure that the hardest-hit businesses can continue to receive support until the pandemic is over.



Get the government out of the way. That is, strongly encourage provincial governments to end all restrictions, phase out all covid support programs, and start implementing our plan to shrink the size of the federal government, eliminate the deficit within a first mandate, and then have the fiscal room to lower taxes.

**Economic  
Recovery** *cont'd*

**1. What will your party do to help hard-hit small businesses recover from the pandemic and thrive?**



			<ul style="list-style-type: none"> <li>• Provide up to 75% wage and rent subsidies for hard hit tourism sector businesses to get through the winter.</li> <li>• Lower credit card fees for small businesses.</li> <li>• Allow immediate expensing of up to \$1.5m, providing tax relief as you invest to grow your business.</li> <li>• Enact our plan to address labour shortages.</li> <li>• Fund the roll-out of vaccine passports to help ensure businesses stay open.</li> <li>• Create a new tax credit to help small businesses to improve ventilation.</li> <li>• Provide grants to main street businesses to go digital and invest in new technology.</li> </ul>		
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The answers are presented in alphabetical order based on the party's name.

\*The translation of these answers was made by CFIB.

### Government Spending & Deficits

Government spending was necessary to help cope with COVID-19, but it cannot be sustained at current levels.

## 2. What is your timeline to balance the budget and how do you plan to do it?



\*We need to make targeted investments in the short and medium term to stimulate economic recovery. The Bloc Québécois is pushing for a green recovery and believes that every dollar needs to be invested carefully. Spending must be streamlined. We are pro investment, but anti waste. We are saying no to new red tape. Some relief programs must be reviewed to avoid damaging the economy and to prevent needless spending. The return to a balanced budget in the longer term should not be made at the expense of services and transfers to Quebec and the other provinces. We can offset the costs of the pandemic more equitably by generating additional revenue through a one-time tax on extraordinary business profits.

Spending to protect Canadians during the pandemic was the right thing to do, and Conservatives have supported it. Unfortunately, we can't pass unsustainable debt onto future generations. One the recovery starts, we will need to get spending under control.

Canada's Conservatives will balance the budget over 10 years by:

1. Winding down emergency COVID support programs in a responsible way as Canadians are vaccinated and the economy re-opens;
2. Ensuring that stimulus measures are targeted and time-limited to avoid creating a structural deficit
3. Getting the economy growing again after years of slow growth under the Liberals, so that we have the revenue to pay for the government services that Canadians rely on.

A Green Government will responsibly spend the necessary expenditures to provide essential services and invest in supporting small businesses who have been hit hard by the pandemic. Greens will then move to balance the budget when it is advisable to do so.

The Liberal government took decisive action to protect the lives and livelihoods of Canadians, enabling a strong economic recovery.

The Liberal platform is the only platform to be released with a full costing, and is the only one with a transparent and prudent fiscal plan.

Our fiscal track record is clear:

- The lowest debt-to-GDP ratio in the G7.
- AAA credit ratings from S&P and Moody's.
- Election platform given a strong 15.5/18 rating from the Institute of Fiscal Studies and Democracy.

A Liberal government will:

- Continue to reduce the debt-to-GDP ratio in a prudent and steady manner over the next 5 years.
- Grow the economy, including through supporting SMEs, smart immigration policy, investment in innovation, and reduction of barriers to investment and trade.
- Create more than 1 million jobs (we recovered 92% of jobs lost compared to 75% in the USA).
- Conduct a strategic policy review of government programming.

- To build back from COVID-19, it's essential to make investments that pay where it counts – in communities and families. Our plan will make historic investments to jump-start economic growth, get people back to work, and make life better for everyone.

- In all cases, we will manage debt and deficits responsibly, borrowing when required to rebuild and defend the services that Canadians and their families rely on, and moving to balance when it is prudent to do so.
- Our approach to raising revenues will put people first, tackle the inequality crisis facing our country, strengthen the integrity of our tax system, and ensure that large, profitable corporations and the very rich pay a little bit more.

We will get rid of the deficit by the end of a first mandate through fiscal prudence and spending cuts, including corporate welfare (\$5B-\$10B), foreign development aid (\$5B), CBC (\$1B), equalization payments, and funding for programs which are provincial or municipal responsibilities.

### Overall Tax Burden

Small businesses cannot afford to take on new costs with 70% indicating that reducing their tax burden would be helpful in recovering from the pandemic. With increases already expected in Canada Pension Plan premiums (CPP) and carbon taxes in 2022, managing their overall tax burden is an ongoing challenge for small businesses.

### 3. Will your party commit to no additional tax increases for small business? Will your party lower the overall tax burden on small businesses?



\*Increasing the tax burden of small businesses is not part of the Bloc Québécois' plan. To help them get through the pandemic, the Bloc Québécois is requesting that wage and commercial rent subsidy programs be maintained as long as needed. Quebec SMEs need help to face the labour shortage, including through support for digitization and automation.



The Conservative Party can commit that there will be no new taxes or tax increases.

We will launch a tax reform commission to simplify and reduce the tax burden on businesses.

The carbon tax that Justin Trudeau wants to increase to \$170 per tonne will be canceled and replaced with an innovative, national, Personal Low Carbon Savings Account. This will put a price on carbon without one penny going to the government.

Canadians will pay into their Personal Low Carbon Savings Account each time they buy hydrocarbon-based fuel. They will be able to apply the money in their account towards things that help them live a greener life. That could mean buying a transit pass or a bicycle or saving up and putting the money towards a new efficient furnace, energy efficient windows or even an electric vehicle.

Businesses that aren't subject to the Output Based Pricing System but buy fuel will have a Small Business Low Carbon Savings Account that will operate similarly.



A Green Government will:

- Hold the small business tax rate at no more than 9%.
- Establish an arm's length Federal Tax Commission to analyze the tax system for fairness and accessibility, based on the principle of progressive taxation.



Our government has made sure Canada has the smallest combined small business tax rate in the G7, and will continue to ensure Canadian small businesses are able to keep more of what they earn.

A Liberal government will instead focus on big banks and insurance companies, who have rebounded strongly from the pandemic, and make sure they pay their fair share.



- The no-strings-attached tax cuts that Liberal and Conservative governments have handed to profitable corporations have not translated into more business investment or good jobs for Canadians.
- While profitable corporations benefit from generous tax breaks, Canadian families are falling behind.
- New Democrats believe that it's time to rebalance our priorities. We will roll corporate tax cuts back to their 2010 levels (18%) while maintaining the small business tax rate at its current level.
- A New Democrat government will also strengthen enforcement to stop tax evaders and others who have benefitted from tax havens. This includes forcing corporations to prove the economic substance of their offshore transactions, closing tax loopholes, and reviewing and reprofiling tax expenditures that don't benefit everyday Canadians.



No we will not increase taxes for small businesses. We will scrap the carbon tax. And will cut personal income taxes, corporate taxes, and the personal capital gains tax after the deficit has been eliminated, over the course of several budgets, as the fiscal room is found to allow it.

### Red Tape

Reducing red tape is one of the most cost-effective and meaningful ways to help small businesses on their path to recovery. The burden of red tape is now so high that two thirds of small business owners would not advise their children to start a business given the current level of regulation. Eliminating unnecessary regulations, using plain language, and simplifying forms and processes are just some of the ways governments can reduce red tape.

#### 4. What will your party do to reduce the overall red tape and paper burden on small businesses?



\*The federal procurement process should be an example of user-friendliness for companies seeking public procurement contracts, but this is not the case. The complexity of the process is a major deterrent for many SMEs that lack the time and resources to monitor and understand federal calls for tenders. The Bloc Québécois is advocating for better online resources and a user-friendly platform to greatly improve access to government contracts.

It is important to regularly review regulation to eliminate any that are not serving the public interest.

Canada's Conservatives will:

1. Appoint a Minister Responsible for Red Tape Reduction who will be tasked with introducing and passing at least one red tape reduction bill per year, eliminating unneeded or counterproductive red tape.
2. Cut red tape to make it easier to get a business off the ground, simplify the business-use-of-home deduction to provide more significant tax advantage for people starting businesses from their homes and allow new parents to start home-based businesses without facing any loss of parental leave income.

A Green Government will:

- Reduce the paperwork burden on small businesses by eliminating duplicative tax filings and red tape.
- Ensure all new legislation considers the impact on small businesses.
- Reduce bureaucracy and streamline approvals for Small and Medium Enterprises (SMEs) to adopt technologies.

Reducing unnecessary burden on small businesses will help unleash innovation and accelerate economic growth as we come out of the pandemic.

A Liberal government will:

- Continue to renew the External Advisory Committee on Regulatory Competitiveness and to continue targeted regulatory reviews. This ensures small businesses are at the table to guide regulatory reforms.
- Renew efforts to eliminate inter-provincial trade barriers, including through enhanced implementation of the Canadian Free Trade Agreement, and use of new or discretionary federal transfers to provinces and territories to accelerate progress.
- Ensure the CRA continues to reduce compliance burden and further streamlines and digitizes forms and processes.

- A New Democrat government will provide small- and medium-sized businesses with a single point of contact to help ease the regulatory processes they face the compliance measures they encounter. This will free up time for business owners and entrepreneurs to invest in growing their business.
- We'll also help Canadian small businesses step out on the world stage by streamlining access to government export services to make it easier to break into foreign markets.

The PPC believes in free markets and is philosophically committed to shrinking the size of government. We have not developed any detailed plan to reduce red tape. I was involved in the red tape reduction effort of the Harper government and we would relaunch this effort.

Shortage  
of Labour

With the economy reopening, many small businesses are struggling to find qualified staff, even with a high unemployment rate. While the reasons for the shortages can vary, this obstacle is causing serious headaches for small businesses who often feel they are competing with government assistance programs (e.g., EI) for staff.

## 5. What approach will your party take to help address labour shortages? What policies would you introduce that would specifically help smaller businesses?



\*The uncertainty caused by COVID-19 and the health measures have exacerbated the already significant labour shortage when the economy was relaunched in the summer. To sustainably tackle the labour shortage, the Bloc Québécois proposes:

1. A tax credit of up to \$3,000 per year and \$8,000 in total for recent graduates and newcomers to non-metropolitan areas;
2. Improving support for experienced workers through a tax credit for seniors (65+) who wish to stay in the labour market and increasing the GIS's employment income exemption by \$1,000, to \$6,000, so that seniors can work more hours without penalty;
3. Suspending the CRB, with some exceptions for sectors and workers that still need it, such as arts and culture, without abolishing it so it can be reactivated in the event of another wave of COVID-19;



For small business specifically, as mentioned earlier, Canada's Conservatives will launch the Canada Job Surge Plan which will pay up to 50% of the salary of net new hires for six months following the end of CEWS.

We will phase out the emergency support programs responsibly as soon as they are no longer needed.

Many parts of the Agriculture and Agri-Food sector are hampered by chronic labour shortages across all skill levels. The Minister of Agriculture and Agri-Food will develop a strategy for dealing with these labour shortages in close consultation with industry.

Especially in Quebec, Canada's Conservatives will be giving Quebec more input into the assignment of temporary foreign workers to particular regions and their pathway to permanent residency to address critical labour shortages that the Trudeau Liberal have failed to address.



A Green Government will:

- Promote entrepreneurship training and business support, especially for women, young, racialized and Indigenous entrepreneurs.
- Provide affordable and accessible internet services across Canada, including rural areas.
- Provide universal childcare, which will increase labour force participation
- Recognizing foreign skills: Review and update accreditation policies and licensing programs to better and more accurately reflect the current needs of our Canadian society.
- Collaborate with accreditation institutions in Canada to recognize foreign training and education.
- Allocate greater funding to provide training language skills, employment skills, and accreditation recognition for any newcomer legally eligible to work in Canada.
- Create incentives for employers to hire newcomers and refugee claimants.
- In recognition of the role temporary foreign and frontline workers played in our healthcare and economy during the COVID-19 pandemic, introduce lower barrier, more accessible pathways to permanent residency for these workers.



A Liberal government will implement a multi-pronged strategy to address labour shortages to help small businesses grow and accelerate the recovery.

We will:

- Extend the Canada Recovery Hiring Program to help subsidize wages.
- Reform economic immigration programs, including expand pathways to permanent residence for temporary foreign workers and former international students.
- Introduce \$10 a day child care, allowing more parents to go back to work.
- Establish a Trusted Employer system to streamline applications for temporary foreign workers to fill labour shortages that can't be filled by Canadians.
- Develop a sector-specific Agricultural Labour strategy.
- Double the Union Training and Innovation program to \$50 million a year to support more apprenticeship training opportunities.
- Introduce a labour mobility tax credit to help workers in the building and construction sector travel to where the work is.
- Introduce a career extension tax credit to help Seniors stay in the workforce if they want to.



- New Democrats recognize that small businesses are having a hard time filling job vacancies, and that this is a major barrier to their economic recovery.
- New Democrats will make important investments in training Canadians and boost support to traditionally underemployed groups, ensuring that they can access good jobs that pay a fair wage.
- We'll also support small businesses get people back to work by putting in a long-term hiring bonus to pay the employer portion of EI and CPP for new or rehired staff. We'll also assist small businesses make necessary improvements to their workplaces to ensure that employees have an environment they can feel safe working in.



Stop subsidizing people to stay at home doing nothing, as the Trudeau government has been doing for over a year. See if there are other bureaucratic obstacles that make manpower less available than it should. Otherwise we believe in free markets and small or big businesses should compete on the labour market to attract employees without the help of government.

Shortage of  
Labour *cont'd*

5. What approach will your party take to help address labour shortages? What policies would you introduce that would specifically help smaller businesses?



- \*4. Helping companies increase their productivity by transitioning to digital technology through a digital strategy that includes more support for SMEs and access to effective digital tools;
- 5. Returning management of temporary foreign workers under Quebec jurisdiction, as requested by the Government of Quebec in its correspondence this morning;
- 6. Enhancing the R&D tax credit to stimulate innovation and productivity and providing a tax credit for automation in the manufacturing sector.



### Credit Card Fees

About 1 in 2 small businesses feel that their credit card costs have gone up in the last couple of years, even though there has been a commitment to maintain the average credit card rate at 1.4%. The shift in sales to more electronic payments during the pandemic has only exacerbated the issue of high credit card fees that small merchants pay.

#### 6. Will your party commit to work with industry to reduce credit card fees for small businesses? If so, how would you do that?



\*In the last Parliament, Bloc Québécois Lac-Saint-Jean MP Alexis Brunelle-Duceppe introduced bill C-243, *An Act to amend the Payment Card Networks Act (credit card acceptance fees)*. The bill called for government regulation of credit card interchange fees. The Bloc Québécois intends to reintroduce it.

The last Conservative government introduced the Code of Conduct for the Credit and Debit Card Industry to protect consumers and small businesses. The current government has neglected to update the Code as technology has developed and new issues have emerged. Canada's Conservatives will strengthen the Code of Conduct to better protect consumers and small businesses from fraud and things like unwarranted chargebacks that can be devastating for them.

We also plan to bring in legislation on open banking so that Canadians can connect with fintech companies that can provide a better offer for banking service such as a mortgage, line of credit or credit.

This does not only include small businesses but all Canadians from coast to coast.

The Green Party will work with the retail and banking sectors to find a balanced solution to this issue.

Our government has already begun work through Budget 2021 to reduce credit card fees.

A Liberal government will move forward to reduce credit card transaction fees for small businesses. Our plan to do so will:

- Lower the average overall cost of interchange fees for merchants.
- Ensure that small businesses benefit from similar prices as large businesses.
- Protect existing rewards points of consumers.
- Introduce legislative amendments to the Payment Cards Network Act to directly regulate interchange fees, if necessary.

- Justin Trudeau's Liberals promised they would take decisive action to limit merchant fees for small businesses. But instead of looking out for small business owners, the Liberals looked out for their corporate friends.
- Throughout the pandemic, credit card companies made record profits while small businesses struggled to get by. The Liberals didn't show up to pass their own legislation to limit merchant fees in 2016, and have no firm commitments to lower fees in the future.
- New Democrats will deliver, through legislation, on a firm cap on merchant fees at 1% to stop gouging small businesses and help them compete in an increasingly dense online marketplace.

We have not studied this issue and currently have no plan to address it.

### Intergenerational Transfers

Bill C-208 received Royal Assent on June 29, 2021 and provides for a uniform tax treatment whether a small business is sold to a family member or a third party.

#### 7. Will your party commit to honouring the intent of this Bill so that small businesses will no longer be penalized if they sell their business to a family member?



\*Yes. Not only does the Bloc Québécois support this bill, but our agriculture spokesperson Yves Perron co-sponsored it. We worked hard alongside the young people of the FRAQ (who did an excellent job!) to push senators to study and adopt the bill. The Bloc has long advocated for encouraging and facilitating family business transfers, particularly in the areas of fishing and agriculture. Bill C-208 includes measures the Bloc has been promoting for more than 15 years.

Conservative Candidate Larry McGuire sponsored this bill. Canada's Conservatives will honour the intent of this Bill.

A Conservative government will protect family farms and small businesses by ending unfair tax treatment. The Trudeau Liberals defied Parliament by delaying the implementation of Bill C-208, despite it passing with broad support, and clearly plan to repeal it if they win a majority.

The Green Party of Canada will investigate all manner of policy tools to help grow and sustain small businesses, including this proposal.

A Liberal government will absolutely honour the intent and is committed to facilitating genuine intergenerational share transfers and ensuring fair tax treatment for family-run Canadian small businesses.

- New Democrats were proud to support Bill C-208 through Parliament, and championed its intent when it was first introduced by NDP MP Guy Caron in the 42nd Parliament (as Bill C-274).
- A New Democrat government would ensure that this legislation is fully adopted and that no small business is penalized if they sell their business to a family member.

Yes. I was minister of state for small business in the previous government, which is quite a memorable connection.

## Small Business

### 8. Can you tell us about a memorable connection you have had with small business?



No answer was provided by the party.



The Leader of Canada's Conservatives, Hon. Erin O'Toole has been coast to coast to coast meeting and hearing stories from Canadians who own or want to own small businesses.

Small business owners have been pleading for help for too long and a Conservative government has the solution.

It is time to get Canadians back to work and small businesses flourishing once again.



No answer was provided by the party.



Small businesses are the backbone of our economy and the heart of so many communities. Small businesses owners are often community leaders and they provide millions of good paying jobs for their neighbours.

As Liberals, we recognize the importance of small businesses to our economy. That's why we stepped up with our COVID-19 Economic Response Plan, with includes targeted support for small businesses.

In June 2020, the Liberal Party Leader met Luc, the owner of Régimbal Awards and Promotions, a family business in Ottawa.

The first wave of the pandemic hit their business hard, but with the wage subsidy and rent support, they were able to rehire staff and keep their doors open. The even gave back to the local fight against COVID-19 with their #StrongerTogether campaign. They donated proceeds from their fabric face masks, tees, and hoodies to the Ottawa Community Foundation for the most vulnerable in the city.



No answer was provided by the party.



No answer was provided by the party.

**Small Business**  
*cont'd*

**8. Can you tell us about a memorable connection you have had with small business?**



			<p>Across the country, there are so many stories like Luc's.</p> <p>During COVID-19 we've had the backs of small businesses because they've had Canadians'. Whether it was the local store that gave you your first job or your favourite grocery store who provided the food to get you and your family through tough lock-downs — small businesses have supported all of us.</p> <p>To date, the wage subsidy has supported more than 5 million people. The CEBA has supported almost 900,000 small businesses and not-for-profits. And the rent subsidy has been there for over 200,000 businesses and organizations.</p>		
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